

School Board Report to the City Council



April 21, 2015

Presentation Agenda

- I. School Board Chairman's Remarks
- II. Superintendent's Remarks
- III. FY2015-2016 Budget Proposal
 - a. Operations
 - b. CIP
- IV. Title I Funding Update
- V. CTE High School

School Board's Proposed Educational Plan & Budget

Fiscal Year 2015-2016:

\$317,065,231

Revenue Comparison

REVENUE SOURCE	OPERATING BUDGET FY 2015 (Amended)	OPERATING BUDGET FY 2016 (Proposed)	% Increase/ (Decrease)
State Funds	\$ 182,272,749	\$ 183,315,135	0.6%
Federal Funds	5,745,721	5,651,426	(1.6%)
City Funds (Incl. CTI*)	121,110,722	120,664,396	(0.4%)
Carry Forward Funds	5,944,513	3,410,913	(42.6%)
Other Funds	4,177,226	4,023,361	(3.7%)
TOTAL	\$ 319,250,931	\$ 317,065,231	(0.7%)

*CTI – Construction, Technology, Infrastructure

Appropriation Comparison

PROGRAM	OPERATING EXPENSES FY 2015 (Amended)	OPERATING EXPENSES FY 2016 (Proposed)	% Increase/ (Decrease)
Instructional Support Services	\$ 239,651,014	\$ 239,728,179	0.0%
Student Attendance & Health	6,902,579	7,655,055	10.9%
Operations and Facilities	39,367,000	38,957,147	(1.1%)
Pupil Transportation	11,876,149	12,369,647	4.2%
Central Administration	8,735,298	8,942,497	2.4%
Information Technology	12,718,891	9,412,706	(26.0%)
TOTAL	\$ 319,250,931	\$ 317,065,231	(0.7%)

Summary of Changes in Revenue and Expenditures

Projected Base Revenues	Proposed: 02/09/2015	Recommended Adjustments	Approved: 03/18/2015
State			
Standards of Quality	\$ 118,992,018	\$ (379,671)	\$ 118,612,347
State Sales Tax	32,010,389	315,361	32,325,750
Lottery Funded Programs	28,208,994	218,492	28,427,486
Incentive and Categorical	2,463,046	1,486,506	3,949,552
Subtotal - State	\$ 181,674,447	\$ 1,640,688	\$ 183,315,135
Local - Regular Appropriation	112,471,922	-	112,471,922
Local - Debt Service: Construction, Technology, & Infrastructure	3,388,800	-	3,388,800
Federal	5,784,014	(132,588)	5,651,426
Reappropriation of Prior Year Carryforward/Fund Balance (FY2014)	3,000,000	410,913	3,410,913
Other	4,023,361	-	4,023,361
FY2015-2016 Projected Base Revenue Budget	\$ 310,342,544	\$ 1,919,013	\$ 312,261,557

Summary of Changes in Revenue and Expenditures

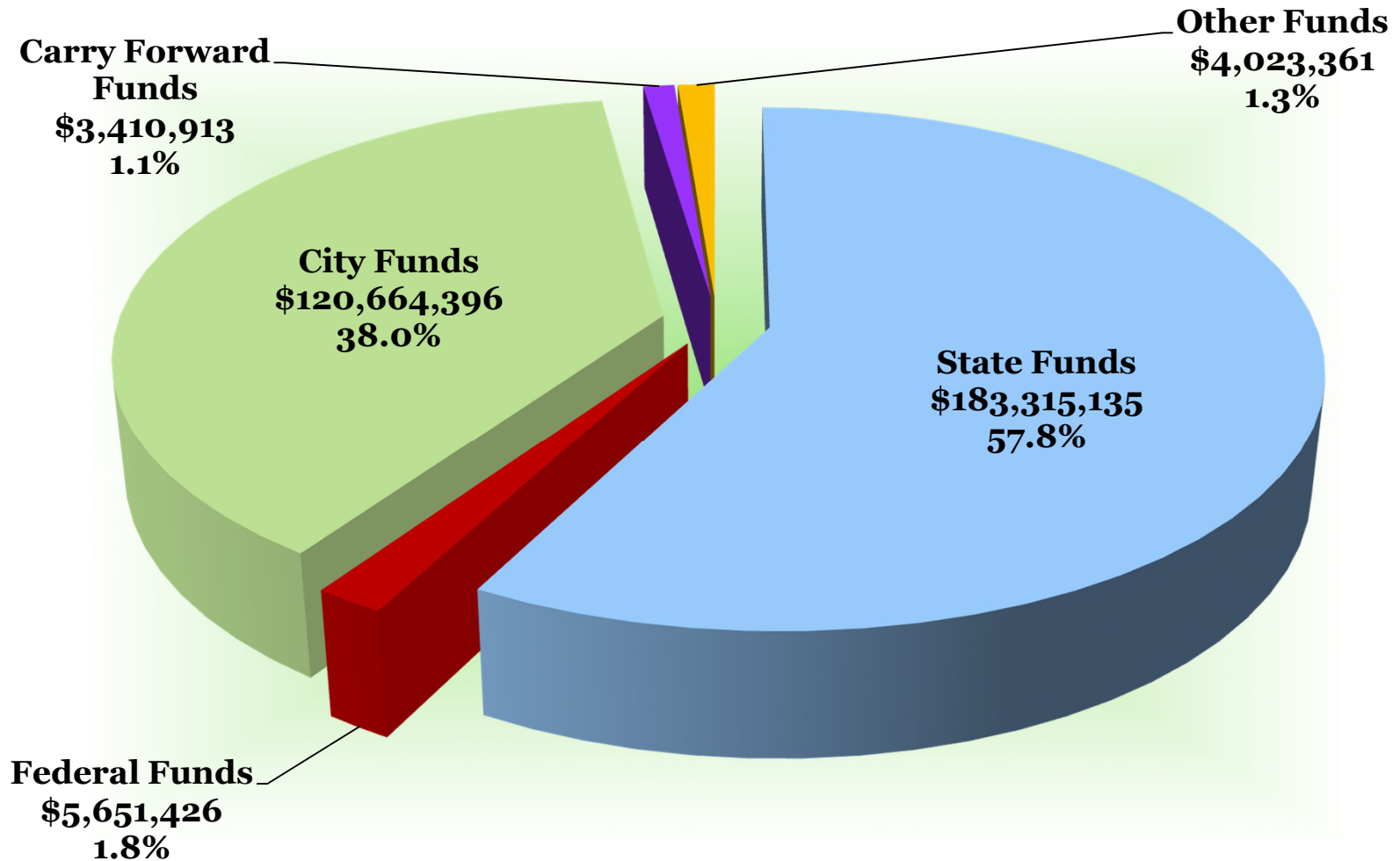
FY2015-16 Expenditure Base Budget		\$ 319,250,931	\$ -	\$ 319,250,931
Base Expenditure Budget Adjustments:	FTE			
Compensation Increase for Teachers and Staff: 2% Increase for full-time, contracted staff		3,700,000	-	3,700,000
Employee Benefits: Retirement, Group Life Ins., Retiree Health Care Credit, & FICA		900,000	-	900,000
Employee Health Insurance Premium Increase (Estimated 7% Increase)		1,943,028	-	1,943,028
Completion of School Nurse Staffing Plan	24.0	562,000	-	562,000
Restoring of (5) ITRT Positions to meet SOQ requirements (Year 1 of 3)	5.0	422,500	-	422,500
Strategic Plan/Transformation Initiatives: AVID, IB, Dual Enrollment, Credit Recovery		221,872	-	221,872
Transportation of Homeless Students per McKinney Vento Act		279,000	(279,000)	-
Transportation Compensation Initiatives: Bus Drivers and Attendants		350,000	-	350,000
Other Operating Costs Adjustments		173,900	-	173,900
Facility Maintenance Improvements (Repairs & Maintenance)		500,000	(500,000)	-
Subtotal - Expenditure Base Budget Adjustments	29.0	9,052,300	(779,000)	8,273,300
FY2015-16 Projected Expenditure Base Budget		\$ 328,303,231	\$ (779,000)	\$ 327,524,231

Projected Budget Deficit/Gap - Estimated Base Revenue to Base Expenditures		\$ (17,960,687)	2,698,013	\$ (15,262,674)
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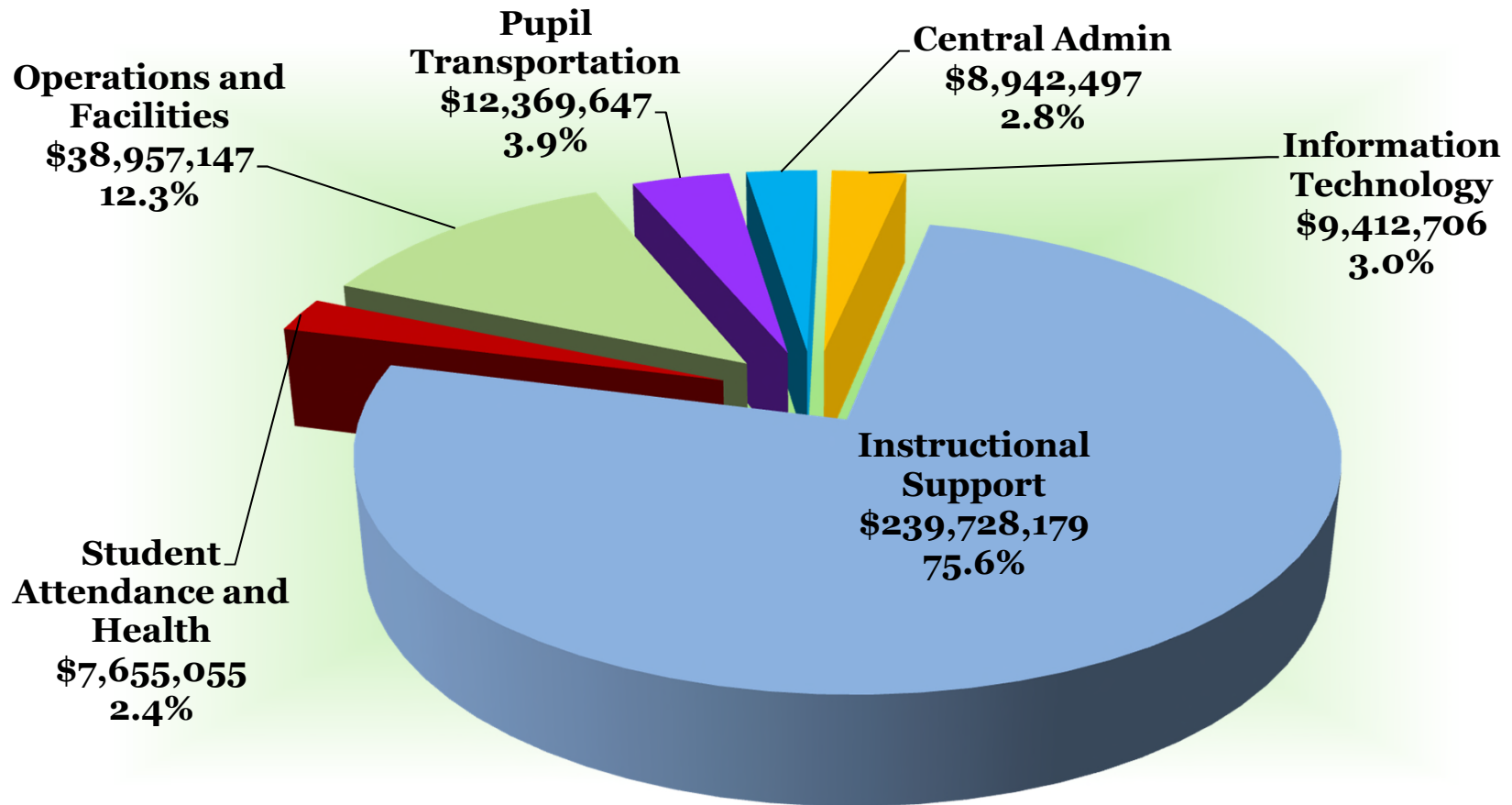
Summary of Changes in Revenue and Expenditures

<i>Potential Expenditure Reductions/Balancing Strategies</i>				
Description	FTE	Amount	Adjustment	Amount
Eliminate FY15 One-time Expenditures: CTI Carryforward Funds from FY14		\$ 3,000,000	-	3,000,000
Eliminate FY15 One-time Expenditures: Supplemental Appropriation: Maury & Open Campus		845,000	-	845,000
Re-basing of FY15 Compensation Budget: Turnover/Attrition Savings		3,300,000	1,250,000	4,550,000
Reduction of VRS Employer Contribution Rate by General Assembly for FY2016		-	739,000	739,000
Reduce Non-Personnel Operating Costs: Regional Program Tuition		200,000	-	200,000
Targeted Reductions: resulting from Program Evaluation Process		345,000	-	345,000
Targeted Reductions: Non-SOQ Staffing: Instructional Support Positions	-	650,000	(650,000)	-
Realign Elementary School staffing with recent and forecasted enrollment change	6.0	390,000	-	390,000
Realign Secondary School staffing with recent and forecasted enrollment change	6.0	390,000	-	390,000
Total - Recommended Budget Balancing Strategies	12.0	\$ 9,120,000	\$ 1,339,000	\$ 10,459,000
Remaining Budget Deficit/Gap		\$ (8,840,687)	\$ 4,037,013	\$ (4,803,674)

Fiscal Year 2016 Revenue by Major Source



Fiscal Year 2016 Budget by Major Program



THIS BUDGET PROPOSAL SUPPORTS:

- \$3.7 million for a 2 percent salary increase for full-time, contracted employees
- \$900,000 for an anticipated increase in employee benefit costs: retirement, group life insurance, retiree health care credit and Social Security/Medicare
- Funding to support an estimated 7 percent increase in employee health insurance premiums
- \$562,000 to complete the school nurse staffing plan

THIS BUDGET PROPOSAL SUPPORTS:

- Funding to restore 5 instructional technology resource teacher (ITRT) positions to meet state Standards of Quality requirements
- \$221,000 to fund NPS Strategic Plan/Transformation Initiative: Advancement Via Individual Determination (AVID); International Baccalaureate; Dual Enrollment; and Credit Recovery
- \$350,000 for transportation compensation initiatives for school bus drivers and attendants
- Funding to support the opening of the Academy for Discovery at Lakewood

Capital Improvement Plan

Norfolk Public Schools Capital Improvement Plan FY2016 - FY2020

Project Title	Project Description	FY2016	FY2017	FY2018	FY2019	FY2020	Total
Roofing	Replace or reseal roofs at 16 schools	\$ 1,590,088	\$ 1,401,000	\$ 2,921,000	\$ 1,323,500	\$ 1,841,500	\$ 9,077,088
ADA Upgrades	Design and Install Elevator at various schools	400,000	400,000	400,000	400,000	400,000	2,000,000
Structural Repairs	Repair exterior masonry, Structural repairs to foundation, Point-up masonry	6,600,000	645,700				7,245,700
Facility Upgrades	Replace gymnasium bleachers, fire panels and auditorium seating. Improve drainage and resurface swimming pool.	1,507,000	777,000	667,000	331,000	331,000	3,613,000
HVAC/Energy Management	Upgrade HVAC System, replace chiller, repair boiler stack, upgrade incinerator stack and provide A/C for cafeteria, replace boilers, upgrade unit ventilators and controls.	2,886,000	250,000	725,000	240,000	245,000	4,346,000
Parking Lots	Resurface parking lots, bus ramps, asphalt track, and improve parking lot drainage.	735,000	855,000	390,000	400,000	700,000	3,080,000
Asbestos Abatement	Remove asbestos floor, ceiling and pipe installation	856,500	862,000	863,200	995,000	842,000	4,418,700
Window Replacement	Replace existing windows and doors	3,284,000	2,608,350	1,887,000	1,857,000	928,000	10,564,350
Design and Construction	Career Technical Education (CTE) High School	4,489,981	36,672,325	42,597,325	-	-	83,759,631
Facility Additions	Addition to Norview ES					4,750,000	4,750,000
Replace Mobile Units	Chesterfield Academy					3,362,000	3,362,000
Construction	Construction of Five New Schools via PPEA						124,800,000
Total		\$ 22,348,569	\$ 44,471,375	\$ 50,450,525	\$ 5,546,500	\$ 13,399,500	\$ 261,016,469

Title I Grant Funds Update

Identified Area of Concern:

Expending 100 percent of Title I, Part A, funds
in a timely manner.

Title I, Part A, Grant Funds: Definition and Requirements

- Federal Title I, Part A, grant funds are provided to schools to supplement the education of students who qualify for free or reduced-price meals.
- In Norfolk, with nearly 70 percent of students from economically disadvantaged households, Title I, Part A, funds make up 3.3 percent of the division's total annual budget.
- School divisions must use the funds in accordance with federal requirements, including:
 - Title I funds cannot be used to pay for items already covered by the operating budget; and,
 - Funds must be spent by designated dates within each grant period.

Actions Taken Thus Far

- An action plan was developed and reviewed with the School Board on February 11, 2015.
- An internal review began February 2015 and is ongoing.
- An external VDOE review took place March 17, 2015.
- Action steps include:
 - New timelines/deadlines for schools to submit Title I budgets; and,
 - Quarterly grant funding reports to the School Board.

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